

Weatherization Program Notice 01-3

Effective Date - November 9, 2000

SUBJECT: INCREASE IN THE AVERAGE COST PER HOME AND THE ELIMINATION OF THE SEPARATE CAPITAL INTENSIVE CATEGORY IN THE WEATHERIZATION PROGRAM

PURPOSE: To provide guidance to States that would like to take advantage of the increase to the average cost per home and eliminate the need for a separate capital intensive average for the Low-Income Weatherization Assistance Program (Weatherization).

SCOPE: The provisions of this guidance apply to all grantees applying for financial assistance under the Department of Energy (DOE) Weatherization Assistance Program.

BACKGROUND: Title IV, Energy Conservation and Production Act, as amended, authorizes the Department of Energy to administer the Low-Income Weatherization Assistance Program. All grant awards made under this program shall comply with applicable law including regulations contained in 10 CFR Part 440, and other procedures applicable to this regulation as DOE may from time to time prescribe for the administration of financial assistance.

The Congress passed the Energy Policy and Conservation Act (EPCA) Amendments which contains the three statutory changes that the stakeholders asked DOE to make to the Program. The amendments eliminate the 40% requirement for materials; increase the average cost per home to \$2500; and eliminate the separate average for capital intensive homes. The 40% requirement is largely a symbolic measure as beginning in Program Year 2001, all States will be using an advanced energy audit.

The Bill also contained the repeal of the cost share requirement. The repeal of the cost share requirement is basically self-enacting. This program notice deals specifically with the increase to the average cost per home and elimination of the separate capital intensive average.

PROCEDURES: DOE will provide States with an option in implementing these changes to their weatherization programs. States that want to incorporate these changes into their Program Year 2000 plans now, must submit plan and budget amendments to their respective Regional Offices for approval. States are not required to make these changes at this time, and may choose to wait until Program Year 2001. This program change is not retroactive to the beginning of the current program year.

To maintain program accountability, DOE will require that States which elect to make these changes now must do so effective with the beginning of the next program quarter. The next program quarter begins January 1, 2001. A State which submits a plan amendment to change their 2000 State plans must incorporate both changes. That is, in requesting to utilize the higher average cost per home, the State will at the same time eliminate the use of the separate average for capital intensive. No State can be approved for the higher average and keep the separate capital intensive average for any reason. The elimination of the separate average does not mean

that homes requiring capital intensive measures cannot be weatherized. The cost associated with doing capital intensive homes must be included in the new \$2500 cost per home average. Beginning with Program Year 2001, all States will use the new average cost per home.

For those States that incorporate these new changes now, the reporting requirements will remain the same as with the old average. DOE is revising the application and reporting requirements for Program Year 2001 to reflect these changes, as well as the other regulatory changes to the Program.

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